

ABSTRACT OF THE DISCLOSURE

Two genes which encode polypeptides that mediate post-prenylation processing steps in CAAX polypeptides such as Ras are provided. The two genes (*AFC1* and *RCE1*) encode polypeptides that mediate the removal of the AAX tripeptide from the CAAX polypeptide following prenylation. The genes and encoded polypeptides provide assays for testing compounds for an effect on post-prenylation processing steps. A heat shock assay for assessing Ras activity is also provided .